

# Wraps Off Arms Sales In Mideast

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BEIRUT, July 19—The United States and Western European nations are abandoning restraints they have shown in the past as they race to sell billions of dollars of highly destructive weapons to nations in the volatile, fabulously rich Middle East.

Controls on sales practices and the types of weapons being offered to specific countries have significantly loosened in the past two years, documents from weapons manufacturers and interviews with arms salesmen in this region indicate.

American diplomats, CIA agents and even the shah of Iran have been used in efforts to whet appetites abroad for particular arms, according to more than 500 pages of documents recording the operations of the Northrop Corp. that were released by a Senate subcommittee in Washington last month.

The Northrop documents and others obtained by The Washington Post have significantly lifted the veil of secrecy that normally surrounds the competitive world of arms sales to Arab states and Iran. Points dis-

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closed that indicate the new attitudes include:

- Northrop agreed with the Iranian government to establish a jointly owned assembly plant for manufacturing fighter-bombers in Iran. The Northrop documents indicate that the United States government originally approved the facility and then reconsidered.

Well placed sources report that Northrop had hoped the regional assembly plant for F-5 "Tiger" fighters would play a role in a

sales drive to get Arab states to agree to make the Tiger their standard fighter. Sudan and Qatar are identified in the Northrop documents as prime sales targets, and Saudi Arabia ordered 60 Tigers this year.

- British Aircraft Corp. made sales presentation to the Saudis for the Jaguar, a fighter-bomber capable of carrying nuclear weapons, long after it became known within the aircraft industry that Saudi Arabia was shopping for the planes for immediate transfer to Egypt. The Egyptians eventually chose to let the Saudis buy France's Mirage deep penetration bomber for them.

- The United States is preparing to sell Iran the Lance surface-to-surface missile, which can carry a nuclear warhead. Negotiations have progressed significantly since December 1974, when, without naming the Lance system, Rep. Clarence D. Long (D-Md.) said he had learned that Shah Mohamed Reza Pahlavi had asked the US "to sell him a missile which is worth having only if armed with a nuclear warhead."

The Helter-skelter arms race, in which the United States sold \$5 billion worth of arms to Middle Eastern countries over the past fiscal year, stands in contrast to the caution most industrial nations showed in dealing with the Middle East after the 1967 Arab-Israeli war.

Northrop's inadvertent confirmation that it has been trying to sell F-5E squadrons to Sudan, which would pay for the warplanes with Saudi money, and to the oil-rich Sheikdom of Qatar, which has fewer than 2,500 men in its armed forces, adds weight to reports here that the United States last year launched a major sales campaign to get friendly Arab air forces to make the supersonic Tiger their main fighter.

Northrop sales representatives stressed to Saudi and

Kuwaiti officials the "commonality of spare parts and training" that would be achieved by all states choosing the same plane. This was a selling plus for those officials who want to build a pan-Arab military force to confront Israel.

Arab officials also report that they were interested because of strong hints from Washington that the United States would eventually allow sales of the Tiger to Egypt. American diplomats in the region concede that the theory that the United States could gain increased influence in Egypt by supplying arms directly is an element of official thinking.

Reliable sources have also reported that 50 to 60 Egyptian air force technicians and pilots went to Iran earlier this year for F-5 training.

But the Arab states apparently balked at having a regional supply center located in friendly but non-Arab Iran. That aspect of the deal was also undermined when Kuwait, after consulting Egyptian military officials, rejected strong entreaties from U.S. Ambassador William A. Stolzfus to buy the F-5. Kuwait decided instead to buy a radically redesigned A-4 Skyhawk, similar to the one in use by the Israeli air force, which has a longer range and more firepower than the F-5.

Ambassadorial concern about the F-5 sale to Saudi Arabia is reported in the Northrop documents. A Northrop vice president reported to his home office that on Nov. 29, 1973, James E. Akins, the American ambassador in Jeddah said "that I had better find Khashoggi and get him to speed up Sultan" on committing Saudi Arabia to buy the F-5.

Adnan Khashoggi is the Saudi financier who collected a 5 per cent commission on the \$756 million sale. According to previously undisclosed documents in the files of the Senate subcommittee on multinational corporations, Northrop Vice President M. G. Gonzalez told investigators that Saudi Arabia's defense minister, Prince Sultan Abdel Aziz, recommended Khashoggi as Northrop's agent on the sale, which was then personally approved by Prince Sultan

Khashoggi has denied Northrop assertions that the corporation gave him \$450,000 to bribe two Saudi air force generals to approve the sale.

Gonzalez told investigators that Prince Sultan re-

portedly made the recommendation to Kermit Roosevelt, a former Central Intelligence Agency operative who has served as a consultant for Northrop since 1965. Roosevelt, who has been identified by a former associate of his, Miles Copeland, as the guiding force behind the coup that restored the shah to his throne in Iran in 1953, plays perhaps the central role in Northrop's Middle East dealings.

Roosevelt indirectly referred to the plan for an assembly plant in a June 16, 1974, letter to the shah's minister of court, Assadollah Alam. Roosevelt records that the shah had asked him and Northrop Chairman Thomas V. Jones, who resigned this week in the wake of the bribery disclosures, "if there has been some change in U.S. government policy regarding collaboration between U.S. companies and friendly foreign governments for the manufacture of fighter aircraft."

Roosevelt assured the shah he would check the matter with the American ambassador in Tehran, Richard Helms—with whom Roosevelt had worked at the CIA before Helms became the agency's director.

Roosevelt sprinkles his reports to Northrop with references to his continuing contacts "in my old place of employment" and assures Northrop at one point that "my friends in CIA are keeping an eye on things in regard to Northrop's bid to sell F-5s to the Saudis."

Roosevelt's clearly intended implication in several places in the Northrop documents is that the CIA is providing him with information that will give the corporation a commercial advantage.

Long standing suspicions of deep CIA involvement

with Savak, the Iranian secret police which has frequently been charged with torturing Iranian political dissidents, will be heightened by one section of Roosevelt's reports.

In an Oct. 15, 1965 letter he advises Northrop that he has contacted "Allen Conway, a member of our (Tehran) staff with special interests and connections that could be helpful." Roosevelt, who was also representing Northrop's communications division on the trip, reported that Conway "has an interest in Savak, the security organization, which not only needs training but has communications responsibilities which cut across all government departments."

Roosevelt's connections with the shah are so strong that at one point the Northrop chairman outlines a complete sale argument that Roosevelt is evidently expected to pass on to the shah before the arrival in Iran of then West German Chancellor Kurt Georg Kiesinger on a visit. Northrop "can take advantage of this opportunity to have His Majesty mention to the chancellor his concern about the equipment problems of the future and his feelings about Northrop" and a specific weapons system Northrop was trying to sell the Germans, Jones writes.

There is no indication in the documents if Roosevelt persuaded the shah to praise Northrop to the Germans.

The documents also disclose that Northrop, which had Khashoggi under exclusive representation rights for fighter aircraft sales to Saudi Arabia, gave him permission on Aug. 29, 1973, to represent British Aircraft Corp. in trying to sell the Saudis Jaguar fighter-bombers which, Northrop said, were "for resale or redelivery to Egypt."

The Jaguar is one of the world's most sophisticated fighter bombers and has a nuclear delivery capability. A confidential presentation booklet prepared for a sales briefing given to Royal Saudi air force representatives at Warton, England, on Aug. 29, 1974, by I. R. Yates, indicates that the presentation included discussion of the Jaguar's nuclear strike capability.

Britain appears to have significantly shifted its arms sales policies in recent months. The government has let stand published reports that Saudi and Kuwaiti money will finance the establishment of British helicopter and tactical fighter assembly plants in Egypt. Arab sources report the Egyptian-based factory will effectively replace the proposed Northrop plant in Iran as a regional supply point for fighters for the Arabs.

Arab sources sympathetic to the American arms industry feel that efforts by the Pentagon and Congress to tighten up sales practices abroad will cause more shifts by potential customers to European manufacturers.